1	
2	
3	
4	
5	
6	
7	
8	
9	ARIZONA DEPARTMENT OF WATER RESOURCES
10	PUBLIC COMMENT HEARING ON:
11	PHOENIX AMA FOURTH MANAGEMENT PLAN
12	* * * *
13	
14	
15	
16	Phoenix, Arizona February 10, 2020
17	1:00 p.m.
18	
19	
20	
21	
22	
23	
24	Prepared by: PERFECTA REPORTING Dorothy A. Schulte, RPR CCR 602-421-3602
25	Certificate No. 50459

1	SPEAKER INDEX
2	
3	SPEAKER:
4	David P. Herrera 14
5	Sheryl Sweeney
6	Alexandra M. Arboleda
7	Dan Jones 20
8	Rory Van Poucke 21
9	Ron Rayner 22
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
د د	

Phoenix, Az 1:00 p.m.

PROCEEDINGS

2

1

3

4

5

6

7 MR. RIGGINS: Good afternoon everyone. 8 For the record, today is February 10th, 2020, and the

9 time is 1:00, 1 p.m. We are in Conference Room 3175 at

10 the Arizona Department of Water Resources in Phoenix,

11 Arizona. This is the time and the place for the public

12 hearing on the proposed Management Plan for the Phoenix

13 Active Management Area for the fourth management

14 period.

15

16

17

18

19

20

21

22

23

24

25

My name is John Riggins. I'm the Chief

Compliance Officer and Ombudsman at the Department of

Water Resources, and I will be the hearing officer for

today's hearing.

With me are Natalie Mast, Program Manager for the Active Management Area Management Plans and Einav Henenson, Statewide AMA Area Director at ADWR. Natalie has been involved in the department of -- excuse me -- Natalie has been involved in the development of the proposed management plan and will give a brief description of the proposed management plan, including

a summary of comments provided by the Phoenix Active

Management Area Groundwater Users Advisory Council on

the draft management plan, data in support of the

adoption of the proposed management plan, and a summary

of changes from the Third Management Plan. Also with

me today from the Department are: Kelly Brown, Deputy

Counsel, in the back; as well as Sharon Scantlebury,

the Docket Supervisor, who is also in the back.

We have a court reporter to record our comments. It's important for the speakers to please speak up and speak slowly so the court reporter can accurately record your comments. If anyone has any difficulty hearing me or a speaker, please let me know.

There are speaker cards on the table at the entrance. If you wish to -- if you would like to speak today, please fill out a speaker card if you haven't done so already and submit your comment card to Sharon Scantlebury in the back.

Persons presenting comments at the hearing will be subject to a three-minute time limit to ensure all who wish to speak receive an opportunity to do so.

The purpose of this hearing is to provide members of the public the opportunity to make oral or written comments on the proposed management plan for the Phoenix Active Management Area for the fourth

management period. The proposed plan is available on the Department's website, www.azwater.gov.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

We will not respond to questions or comments at this hearing today. However, we will do so in writing as part of a formal management plan adoption process. If anyone has any questions or comments on issues or programs that are outside the scope of this hearing, you can contact me or one of our staff after the hearing.

The hearing will be conducted in a formal manner. As I mentioned previously, a court reporter is recording everything that's being said. A copy of the transcript of the hearing will be available for review at the Department's office and will also be posted on the Department's website when it's available. At the conclusion of this hearing, I will be accepting any written comments or documentary evidence that anyone may wish to submit to the Department regarding the proposed management plan. The Department will also accept written comments until 5 p.m. today. Written comments submitted up until 5 p.m. today should be submitted to the Department's Docket Supervisor, Sharon Scantlebury by email to -- and I'll spell her email. It is sscantlebury@azwater.gov or fax at (602)771-8686. A copy of the public notice with Sharon's contact

information is posted on the Department's website, and her business cards are also located on the table near the entrance of this room, if you would like one.

Pursuant to Arizona Revised Statutes or

A.R.S. Section 45-571: Within 30 days from today, the

Director will make and file in the Department a written

summary and findings with respect to the comments and

evidence received at this hearing and prior to 5 p.m.

today.

If in the findings, the Director decides to adopt the management plan, the Director will make and file with the Department an order adopting the plan pursuant to the findings. Notice of the order will be sent to all persons who signed the attendance sheet today and to all persons who submitted comments or evidence prior to the close of the record. Please make sure you provided your physical or email address to receive a copy of the notice.

The Director will also publish a summary of the plan, findings and order of adoption once a week for two consecutive weeks in the Arizona Republic.

Pursuant to A.R.S. Sections 45-571 and 45-114, Subsection (C), any person may file a request for rehearing or review of the order of adoption within 30 days after the second publication of the notice.

The last day for filing requests for rehearing or review will be identified in both the mailed and published notices of the order of adoption. If no one files a timely request for rehearing or review, the plan will become final.

If a timely request for rehearing or review is filed, the Director will have 60 days after receiving the request to issue a decision on the request. The Director may grant a rehearing, grant review without a rehearing or deny the request.

Any person may seek judicial review of the Director's decision to adopt the management plan as provided in A.R.S. Section 45-114, Subsection (C).

Within 30 days after the plan becomes final, the Department will mail notice of the conservation requirements contained in the plan to all persons who are required to comply with the requirements. Any aggrieved person may request an administrative review of the conservation requirement within 90 days after receiving notice of the requirement as provided by A.R.S. Section 45-575, Subsection (A).

A person who requires additional time to comply with a new conservation requirement may request a variance within 90 days after receiving notice of the requirement pursuant to A.R.S. Section 45-574,

Subsection (A).

So now I will turn the hearing over to Natalie Mast, who will describe the proposed plan in greater detail.

MS. MAST: Thank you.

Good afternoon. My name is Natalie Mast, and
I am the Program Manager for the management plans here
at ADWR.

The purpose of this presentation is to present data in support of the proposed management plan and to provide a summary of the comments made by GUAC members. I will also provide a brief overview of the contents of the proposed plan and the changes as compared to the Third Management Plan.

The initial draft of the Phoenix Active

Management Area Fourth Management Plan was published in

July of 2019. From July to November, ADWR accepted

comments and worked with stakeholders and Groundwater

User Advisory Council or GUAC members on revisions to

that plan. The GUAC comments, I will summarize

shortly, were received during this time period.

In November, ADWR published an updated draft incorporating many stakeholder recommendations and received a unanimous recommendation from GUAC members to move forward with promulgating that plan.

On January 6, a public notice was published in the Arizona Republic announcing today's hearing and opening the formal comment period on this plan, which closes today at 5 p.m. ADWR will publish written findings from today's hearing within 30 days, and so long as adoption of the proposed plan occurs within this calendar year, the conservation programs in this plan will go into effect on January 1, 2023.

The recommendations received from GUAC members covered a broad range of topics, with some being very general and some being very detailed. The full text of those comments is posted on the Management Plans page on ADWR's website. Some general comments received indicated an interest in the analysis of safe-yield and in more closely linking the locations of recharge and recovery.

With regard to the Agricultural Conservation
Program, there was some expressed concern regarding
water duty reductions, which on further investigation
were found to be generally seen as a small impact.
Additionally, there were some small adjustments
suggested for the language and points associated with
individual Best Management Practices, which were
incorporated into the proposed plan.

With regard to the Municipal Conservation

Program, ADWR received and incorporated a large volume of feedback on the individual BMPs and the point values, both from GUAC members and from other entities.

Many of these suggestions were incorporated into the proposed plan.

With regard to the Industrial Conservation

Program, a reference to combined-cycle power plants was added to clarify which conservation requirements apply to those plants. Additionally, ADWR received extensive feedback and concern from both GUAC members and from other entities regarding the proposed changes to the Turf Conservation Programs. ADWR worked closely with stakeholders to develop a compromised requirement, which attempts to balance the needs of the industry with the requirement to reduce withdrawals of groundwater. This compromise was incorporated into the proposed plan.

I will now provide a brief overview of some of the data related to the AMA and a summary of the proposed plan.

The Phoenix Active Management Area is one of four original AMAs established as a part of the 1980 Groundwater Management Act. It consists of seven sub-basins: East Salt River Valley, West Salt River Valley, Fountain Hills, Carefree, Lake Pleasant,

Rainbow Valley and Hassayampa sub-basins.

This slide shows changes in water levels from 2000 to 2014, with red points indicating declines in water levels and blue points indicating increases. It is important to note here that water levels should be considered an aggregate level showing trends in directionality rather than showing specific conditions at a specific location. Additionally, some increases may be more closely correlated to recharge activities rather than actual reductions in groundwater usage.

This graph shows total water demands in the Phoenix AMA, broken down by sector -- Agricultural demands at the bottom, then municipal demands, and then industrial demands. Agricultural demand has decreased slightly since the early 1990s and municipal demand has increased, but overall total water demand in the Phoenix AMA has been pretty steady over time.

This graph shows the supplies used to meet those demands in each year. Since the early 1990s, the Phoenix AMA has increased its usage of Colorado River water -- I apologize, it's a little bit hard to see there -- and of effluent, this top line, and groundwater demands have been close to constant or have decreased to just slightly in that time period.

In analyzing how those supplies and demands

impact the AMA as a whole, we turn to the goal of the AMA, and an analysis of safe-yield or overdraft. This chart shows an annual calculation of this groundwater budget. Inflows on the bottom include things like natural and incidental recharge, and outflows on top include things like groundwater pumping, and the black line in the middle shows how those inflows and outflows balance in a given year. There is variation in this annual calculation; but as a general trend, the Phoenix AMA has not yet achieved safe-yield.

The proposed management plan contains eleven chapters, many containing data, analysis, and background information. Chapters 4, 5 and 6 also contain the continuing mandatory conservation programs for the agricultural, municipal, and industrial water users, respectively. These programs are designed to reduce withdrawals of groundwater.

In order to move the Phoenix AMA closer to its goal of safe-yield, the Fourth Management Plan does include some changes from the Third Management Plan.

Some of the changes have to do with data, data quality, and the analysis of that data. With additional reporting requirements and with some audits to ensure the quality of that data that is being provided, ADWR can better assess the effectiveness of the conservation

programs in the Management Plans. We want to be transparent about the use of that data, though, and so we will be expanding upon an existing report to publish our analysis of that and other reported data.

The Fourth Management Plan also contains changes to the conservation programs for all three sectors. These changes are intended to be incremental adjustments, to increase conservation where we can in the Fourth Management Plans and to begin conversation on bigger changes to be made in the Fifth Management Plans. These Fourth Management Plan changes include a restructuring of the BMP point systems for both agricultural and municipal sectors and higher points targets for these programs, a change in the turf application rate for turf facilities, and adjustment to the highest 25 percent of water duties, and several other changes.

Finally, I would like to acknowledge the fact that these management plans are very much a team effort, with an enormous amount of work put in by my predecessors, by management plans and AMA staff, by other staff from across the Department, and with significant input from other state agencies, from GUAC members, and from the regulated community. We would not be here today without the collaborative effort of

1 all of these people and many more, so thank you to all 2 who contributed in any way.

I'd like to thank you for your time and attention today. And with that, I will hand it back over to John who will be calling up speakers.

MR. RIGGINS: Thank you, Natalie.

So I will now begin calling the names of the persons who filled out the speaker cards. If you wish to speak and you haven't filled out a speaker card, please fill one out, one of the cards that are on the table near the entrance, and you can submit it to Sharon Scantlebury at the back there.

So when I call your name, please come up to the podium, state your name, identify any person or entity that you represent, and then provide your comments.

First name is Mr. David Herrera.

MR. HERRERA: My name is David Herrera, and I represent a group out of Eastern Pinal County.

We have a non-for-profit which is called Eastern Pinal and Southwest Gila Watershed Partnership.

And what we are looking at is water in that area, you know, in the Superior area of where a lot of the water is coming from the Superior watersheds.

And, primarily, what I would like to know is

```
1
    since Phoenix AMA is into Pinal County, who represents
    those people that -- that -- like Superior and -- and
 2
 3
    Green Valley and -- and those areas, like do we have an
    advisory group or a committee that represents our
 4
 5
    issues or needs?
 6
              And then the second question would be:
                                                       If we
 7
    have people in our area that are interested in
 8
    participating with the Phoenix AMA, how does -- how do
    we get people to participate with your -- with your
 9
10
    groupings?
11
                   MR. RIGGINS: So, again, and as stated
12
    before, we're not -- we're not answering or responding,
13
    but you can -- I absolutely appreciate the questions.
14
    Those questions you can submit to the Docket Supervisor
15
    as part of this hearing in the form of like a written
16
    comment and question, and those will be addressed, but,
17
    yeah, we -- we can't address or answer any questions at
18
    this hearing.
19
                   MR. HERRERA:
                                  Okay.
20
                   MR. RIGGINS:
                                  Thank you.
21
              So next we have Ms. Sheryl Sweeney.
22
                   MS. SWEENEY:
                                 Hi. I'm Sheryl Sweeney,
23
    and I'm an attorney with Ryley Carlock & Applewhite,
24
    and I'm here today on behalf Roosevelt Irrigation
25
    District.
```

In the November timeframe, we had submitted some comments regarding the reduction to certain water duties under the agricultural program, and they were so good I resubmitted them for this process.

I'm sure you just overlooked them, Natalie.

No, but I -- I understand that at that time the decision had been made really to move forward so I had hoped to resubmit them and to get some written response on -- on those points.

What -- what became clear to us fairly late in -- in the process was that over half of the water that's going to be saved under those water duties are going -- it's going to be saved from farms in our ID, and that the farms that are going to be affected by it are largely farms that, when through the years, were used -- water quality, soil conditions, slope, those kinds of limiting factors -- to take their basic water duty and increase it to account for those things.

And when we got to 70 percent efficiency in 20 -- the year 20 thousand(sic), all of those things were taken into account. And what's happened in this management plan is we've gone back and taken those 70 percent efficiencies and brought them back down.

And I'm concerned that if we dig into all of the irrigation grandfathered rights in our ID, what

```
1
    we're going to find is that each one of them can come
    back and probably will come back to get it bumped back
 2
 3
    up to account for those limiting circumstances.
              And to -- to the remark about it's considered
 4
 5
    a small -- a small amount or a small impact, that may
    be true across the board for a 6,000 acre feet of a
 6
 7
    reduction and across the Phoenix AMA; but when 4,000 of
 8
    it comes from farms within our ID, those farmers think
    it's a pretty big deal.
 9
10
              Thank you.
                                  Thank you, Ms. Sweeney.
11
                   MR. RIGGINS:
12
              Next is Alexandra Arboleda.
13
              Arboleda. Did I say that correctly?
14
                   MS. ARBOLEDA: Very close.
15
                   MR. RIGGINS: Close. Okay.
16
                   MS. ARBOLEDA: So I'm Alexandra
17
    Arboleda, and I'm with TSL Law Group. I am
18
    representing Paradise Valley Country Club today.
19
              And we appreciate very much the opportunity
20
    to submit comments -- we've also submitted written
21
    comments -- and also the Department's collaborative
22
    approach to listening to our comments and discussing
```

So Paradise Valley Country Club recognizes the significant responsibility that we all share in

23

24

25

our concerns.

meeting the safe-yield goal and especially in light of continued municipal and industrial growth, drought and climate change.

Paradise Valley Country Club is committed to using the best available technologies and practices to promote water conservation and has demonstrated this commitment by investing over 3.2 million dollars in golf course renovations, reducing turfed acreage, replacing turf with low-water-use plants, and implementing new technologies to reduce water use and improve water efficiency.

So for the First, Second and Third Management Plans, the Department was required by statute to include mandatory conservation requirements designed to achieve reductions and withdrawals of groundwater and to establish conservation requirements for industrial users based on the use of the latest commercially available conservation technology consistent with reasonable economic return. Therefore, the Department was required to evaluate whether its proposed conservation requirements were, number 1, scientifically sound measures to -- to reduce groundwater withdrawals; and, number 2, reasonable from an economic standpoint.

The University of Arizona has conducted a

study -- and the study is attached to our written comments -- and published a research paper in 2006, which showed that the Third Management Plan application rate of 4.9 acre feet per acre was unattainable for golf courses in the Phoenix AMA except in wet years when increased precipitation provided additional water supplies.

So the conservation requirements adopted for golf courses in the first three management plans were based on an evaluation of the consumptive use of Bermuda grass at a 75 percent efficiency rate.

While golf courses typically use Bermuda grass in the summer, the standard industry practice for regulation golf courses in the Phoenix AMA is to overseed with rye grasses in the winter.

So for Paradise Valley Country Club and many other courses, overseeding is essential to its economic viability, and mandatory conservation requirements that do not allow for overseeding using the most efficient water management practices are not reasonable from an economic standpoint. Therefore, it follows that the reduction in the application rate in the proposed Fourth Management Plan for the Phoenix AMA to 4.75 acre feet per acre at 5 acres per whole is also not scientifically sound, nor reasonable from an economic

standpoint.

And then also for the Fourth Management Plan, the legislature gave the Department discretion to determine whether or not to include additional conservation requirements for industrial users only if they're feasible. The Department opted not to include additional conservation requirements for golf courses in the Fourth Management Plans for the Tucson and Prescott AMAs because it was not feasible.

10 MS. MAST: Alex, I'm -- I'm afraid your
11 time is up.

MS. SWEENEY: Okay. Thank you for the opportunity to submit comments. The rest of our comments are in writing, and we appreciate your consideration.

MR. RIGGINS: Thank you.

Next is Dan Jones.

MR. JONES: Good afternoon. My name is

Dan Jones. I'm an attorney with Salmon, Lewis &

Weldon. I'm here representing New Magma and Queen

Creek Irrigation Districts.

I just have a quick comment about the way that DWR is analyzing agricultural BMPs and water usage, and we've been talking about this more in the context of the Fifth Management Plan discussions, but

```
1
    in Chapter 4 of the draft Phoenix AMA Fourth Management
 2
    Plan is a statement to the effect that BMP acres
 3
    generally use 18 percent more water per irrigation
    acre, and we kind of -- we question whether that's
 4
 5
    actually true. We'd like to make sure the Department
    can support that and that you're not looking at -- to
 6
 7
    the extent that that is based on annual reports, those
 8
    don't account for how many acres were actually
    irrigated within that irrigation right. Often times
 9
10
    you'll find on an annual report, there's a lump sum
    amount of water that's used for the whole water right.
11
12
    That water is only concentrated on a portion of the
13
    IGFR acres, so it may be the case that whatever the
14
    water duty is and whatever the actual irrigation water
15
    usage is, it won't -- it may end up being more than
    what you're looking at for that -- for the BMP water
16
17
    usage, and it's just a function of accounting for what
18
    actually is farmed every year, so ...
19
              Thank you for the opportunity.
20
                   MR. RIGGINS:
                                  Thank you, sir.
21
              Did we have any other -- any other speaker
22
    cards?
            Was there anyone else who wanted to speak?
23
              We've got one. Rory Van Poucke. Did I say
24
    that correctly?
```

MR. VAN POUCKE:

Yeah. Rory Van Poucke,

25

- Apache Sun Golf Club. I'd like to thank Arizona

 Department of Water Resources for this collaborative

 effort. It's been greatly appreciated.
- The golf industry is a vital part of our

 conomy. The Phoenix Open just completed. They

 gave -- charitable giving was a key component of this.

 It million dollars they contributed this past

 tournament, which is phenomenal.

One thing I'd like to put on the public

record is consideration of if they would carry the

third -- the flex plan -- from the third to the fourth

plan. I would like to see if the Department would

consider that.

Thank you so much, and thank you, Natalie, and everyone for your help.

MR. RIGGINS: Thank you, sir.

Is there anyone else who would like to speak?

Mr. Ron Rayner.

MR. RAYNER: Thank you very much for holding the hearing and reviewing very carefully your presentation for the Fourth Management Plan. I've been fairly involved with the process, and most of you know that I am a farmer in the West Valley and have a great deal of concern over, you know, when somebody tinkers with how much water you're going to get to use, but I

think that some of the questions that I had earlier and the comments that I filed earlier have been addressed, but I still am concerned so that -- you know, for someone that has a real negative impact to them for the reduction, say, the 10 percent reduction, that at least they do have the administrative review process, I believe, that they can go through, so at least you can make your case if there are special circumstances for the farm.

But, you know, one of the things that I want to mention here today is that, you know, when you get kind of old, you start thinking about, well, what was going on back when this Groundwater Management Act was -- was first implemented and the discussions that went on when, you know, we decided that we needed to regulate how much water gets pumped.

And one of the things that I distinctly remember that, you know, there was a serious battle going on between basically the interests that were at the table, and they wound up with just a handful of people doing the last negotiation, and I -- I see Bruce Heiden sitting in the audience, and I think he remembers this quite well, but one of things that the negotiator for agriculture got out of that discussion was the right to convert your irrigation grandfathered

right over to a non-irrigation right, which wound up being the type 1 and it was for 3 acre feet, and then you think about it -- well, we thought, well, at least we got something out of this. You know, maybe when the time comes I'll be bought out instead of being sold out by my banker and do the conversion, and that was part of the vision of the people that were in that discussion, was that at least as long as we kept transferring those acre feet of water from one use to the other, it would push way off into the future any resulting shortfalls.

And, you know, I have to tell you that I sat on the CAP board for a while and the CAGRD was in operation back then; but when I saw really what the CAGRD did to you then, it made the desert lands attractive for developers to go out and buy that cheaper desert ground than have to pay some hard negotiating farmer to buy his land.

And so then we started creating a new use for water or no use that occurred before. And guess what, now we have to figure out ways to save a little more here and a little more there, so in the -- you know, we need to be careful that conservation truly is conservation and not putting us out of business, and that was what I really worried about, and I think my

three minutes are up.

Thank you.

3 MR. RIGGINS: Thank you, sir.

Was there -- was there anyone else who'd like to speak?

All right. Seeing none, let the record reflect that no one else wishes to speak. That will move us along. I want to thank all the speakers, too, for their -- their comments and their questions.

Again, you know, we're not responding to questions here at this hearing, but if you do -- we'll respond to the questions that were presented through the formal process in writing, so I just wanted to put that out there again.

Is there anyone here who wishes to submit any written comments or evidence that they've brought with them?

Seeing none, let the record reflect that no one wishes to submit any written comments or evidence.

As I mentioned earlier, written comments on the proposed management plan may be submitted until 5 p.m. today. If you'd like to submit written comments after the close of the hearing but no later than 5 p.m. today, please fax or email them to Sharon Scantlebury, the Department's Docket Supervisor. Her fax number

```
1
    again is (602)771-8686, and her email address is
    sscantlebury@azwater.gov, and she has cards, business
 2
 3
    cards in the back with her contact information, and
 4
    that's on the table located by the entrance as you're
    heading out.
 5
 6
              This public hearing is now adjourned.
                                                       I want
 7
    to thank everybody for attending and for everyone who
 8
    provided comment.
 9
              Thank you.
10
               (WHEREUPON, the public hearing was adjourned
11
    at 1:35 p.m.)
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

C E R T I F I C A T EBE IT KNOWN that the foregoing proceedings were reported by Dorothy A. Schulte, Certified Reporter, Certificate No. 50459, State of Arizona, and reduced to written form under my direction; that the foregoing 26 pages constitute a full, true, and accurate transcript; all done to the best of my skill and ability. DATED at Phoenix, Arizona, this 23rd day of February, 2020. Dorothy A. Schulte Dorothy A. Schulte, RPR Certified Court Reporter Certified No. 50459